

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF DELTA	)	CASE NO. 97-066-H
NATURAL GAS COMPANY, INC.	)	

ORDER

On December 8, 1997, in Case No. 97-066, the Commission approved certain adjusted rates for Delta Natural Gas Company, Inc. ( Delta ) and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ( GCA ) clause.

On September 27, 1999, Delta filed its GCA to be effective from November 1, 1999 to January 31, 2000.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta s notice proposes revised rates designed to pass on its expected increased wholesale gas costs to its customers. Delta s proposed expected gas cost ( EGC ) is \$4.2401 per Mcf, excluding take-or-pay billings. This EGC is 19.77 cents per Mcf higher than the previous EGC.

2. Delta s notice sets out no current quarter refund adjustment.

3. Delta s notice sets out a current quarter actual adjustment ( AA ) of 4.12 cents per Mcf to collect under-recovered gas cost from May, June and July 1999. The

proposed total AA of (18.65) cents per Mcf reflects the current under-collection as well as under- and over-collections from three previous quarters, and represents an decrease of 11.49 cents per Mcf from the previous total AA.

4. Delta's notice sets out a balance adjustment ( BA ) of (13.42) cents per Mcf, which returns net over-collections which occurred as a result of previous adjustments. This BA is 11.83 cents per Mcf lower than the previous BA.

5. These adjustments produce a gas cost recovery rate ( GCR ) of \$3.9194 per Mcf, 2.51 cents per Mcf less than the previous GCR of \$3.9445 per Mcf.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved for final meter readings on and after November 1, 1999.

7. Delta requests confidentiality for Schedule VI, which contains business information required by the Commission pertaining to Delta's subsidiaries. Delta Resources, Inc. and Delgasco engage in unregulated, competitive activities. Competitors of these subsidiaries could use business information of these subsidiaries to place themselves in an advantageous position vis-à-vis the subsidiaries and Delta. Thus, disclosure of the information is likely to cause Delta and these subsidiaries competitive injury and should be protected.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Delta are approved.
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for final meter readings on and after November 1, 1999.
3. Within 30 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.
4. Delta's request for confidentiality is granted.

Done at Frankfort, Kentucky, this 1<sup>st</sup> day of November, 1999.

By the Commission

ATTEST:

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Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 97-066-H DATED NOVEMBER 1, 1999

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

			<u>Base Rate</u>	plus	Gas Cost Recovery <u>Rate</u>	equals	<u>Total</u>
General Service							
Monthly Customer Charge							
Residential							\$ 8.00
Small Commercial							18.36
All Others							25.00
.1 --	200	Mcf	\$2.7212		\$3.9194		\$ 6.6406
200.1 --	1,000	Mcf	2.5000		3.9194		6.4194
1,000.1	5,000	Mcf	2.1000		3.9194		6.0194
5,000.1	10,000	Mcf	1.5000		3.9194		5.4194
Over	10,000	Mcf	1.1000		3.9194		5.0194
Interruptible							
Monthly Customer Charge							
							\$200.00
.1	1,000	Mcf	\$1.7000		\$3.9194		\$ 5.6194
1,000.1	5,000	Mcf	1.3000		3.9194		5.2194
5,000.1	-10,000	Mcf	.9000		3.9194		4.8194
Over	10,000	Mcf	.5000		3.9194		4.4194